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VIA TELECOPIER (814/459-3153)

Mr. Joseph J. Orlando, Jr.
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Re: Aluminum Wheel Joint Venture

Dear Doug and Joe:

Accompanying this letter is a revised letter of agreement dealing with the issue of insurance "opting down" and "opting out" that we hereby substitute for the "Attachment B" which was enclosed with my April 10, 1997 letter to you. As you can see, we have revised this Attachment B to address the Union's concerns about Joint Venture employees who may wish to "opt out" of the Joint Venture's health insurance in order to rely exclusively on Kaiser retiree health insurance. We are providing this revised letter as a final accommodation to secure the Union's agreement on all other outstanding issues in line with the positions we have expressed. The letter enclosed as revised Attachment B must be accepted and executed by the Union as part of the UAW-Joint Venture labor agreement, although we would not require that the letter be physically reproduced at the end of the written collective bargaining agreement. All other agreement issues remain resolved either on the basis of our prior tentative agreements and/or as expressed in my April 10, 1997 letter.

We hope to get a complete overall agreement (in line with our discussions and recent correspondence) and a ratification summary in your hands on Friday, April 11, 1997 or, at the

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latest, early on Saturday, April 12, 1997. This timeframe has resulted from the time-consuming nature of our efforts to address the "opting down" and "opting out" concerns that have surfaced.

Please get in touch with me if you have any questions or if I can otherwise provide additional information or assistance.

Very truly yours,

SEYFARTH, SHAW, FAIRWEATHER & GERALDSON

By

A handwritten signature in black ink, reading "Philip A. Miscimarra". The signature is written in a cursive, flowing style.

Philip A. Miscimarra

PAM/mms

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REVISED ATTACHMENT B

(Superseding the original "Attachment B" accompanying the Joint Venture's 4/10/97 Letter)

The Negotiating Committee
United Auto Workers, Local 1186
1015 East 12th Street
Erie, Pennsylvania 16503

Subject: Opting Out/Opting Down Issues and AKW/Kaiser Insurance

Gentlemen:

This letter confirms that agreement that has been reached concerning "opting down" and "opting out" issues under the Joint Venture ("AKW") group insurance plan. During the 1997 negotiations, many questions were raised regarding the option to cover the employee only and allow the spouse's insurance to cover the spouse and any other dependents. Another question that was raised asked if employees could opt off insurance entirely.

After consulting with the bargaining committee of the union, our policy in this regard is as follows:

A. Joint Venture Employees in General

The following policy governs the treatment of AKW group insurance for all Joint Venture employees (except for situations addressed in Part B below):

- 1) As a general rule (excluding only those situations addressed in Part B below), all employees must have Joint Venture group insurance coverage on themselves.
- 2) Again excluding situations addressed in Part B below, if an employee's dependents have other insurance coverage available, and the employee can verify this coverage to the company, the employee may opt down to single coverage.
- 3) Once a decision is made to opt down, it remains in effect for the calendar year unless the spouse loses their coverage. If that occurs, Employee Relations should be notified at once and the Company will immediately enroll the dependents.

To put it simply, our general policy is that employees can opt down but not out, excluding situations addressed in Part B below.

B. "Opting Out" and Coordination of Kaiser/AKW Retiree Medical Insurance

The following policy has been agreed upon concerning the treatment of "opting out" issues and retiree medical and life insurance for those eligible AKW startup and substitute startup employees who, by September 15, 1997, have retired under the Kaiser hourly pension plan (these individuals are referred to below as "Startup Kaiser Retirees"):

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- 1) Startup Kaiser Retirees will be permitted to "opt out" of AKW medical/life insurance by making an irrevocable, one-time voluntary election, at the time they retire from Kaiser on or before September 15, 1997, to elect Kaiser retiree medical and life insurance coverage for themselves and any dependents in lieu of any AKW medical and life insurance coverage. If these individuals elect Kaiser retiree medical and life insurance coverage, they will not be covered at any future time by any AKW medical and life insurance.
- 2) If the irrevocable, one-time voluntary election by the Startup Kaiser Retirees is to elect AKW medical and life insurance coverage for themselves and any dependents, and where they satisfied all of the requirements for contribution-free Kaiser retiree medical insurance coverage as of September 15, 1997 (i.e., they had 85 points), these individuals (and their dependents) will participate in AKW's medical and life insurance plan while working at AKW. When these individuals leave or retire from AKW, Kaiser rather than AKW will be responsible for providing any retiree medical and life insurance.
- 3) If the irrevocable, one-time voluntary election by the Startup Kaiser Retirees is to elect AKW medical and life insurance coverage for themselves and their dependents, and where they have not satisfied all of the requirements for contribution-free Kaiser retiree medical insurance coverage as of September 15, 1997 (i.e., they had less than 85 points), these individuals (and their dependents) will participate in AKW's medical and life insurance plan while working at AKW and following their departure or retirement from AKW.
- 4) Startup Kaiser Retirees who elect AKW coverage will not have the ability to "opt down" to single coverage based on any potential availability of dependent coverage under a Kaiser medical insurance plan. However, these Startup Kaiser Retirees, while covered under AKW medical insurance, may "opt down" to single coverage for themselves pursuant to Part A above (point 2) provided that the employee can verify coverage for their dependents from a source other than Kaiser.